Iowa Department of Transportation

Federal Transportation Briefing

A Periodic Report on Federal Transportation Activities

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(New information in RED)

Annual Transportation Appropriations

FY 2010 – Following a series of Continuing Resolutions, the FY 2010 Transportation Appropriations Act (PL 111-117) was signed on December 16, 2009. The Act provided increases for most programs including an increase in the highway obligation authority. An additional $650 million from the General Fund will be distributed to the states through the core programs for highway projects, and $600 million will be distributed by the Secretary for surface transportation projects through an application process. The administration released the criteria on May 28 under the title "TIGER II." (See description below)

FY 2011 – The House Appropriations subcommittee on Transportation passed an FY 2011 THUD bill on July 1. Compared with FY 2010 levels, it would provide slightly higher amounts for air, highway and transit, but slightly lower funding for rail. Although the language for the bill is not yet available, an earmark list has been released. Much shorter than in recent years, it includes 3 Iowa projects ($450,000 for NW 66th Ave. in Polk County, $650,000 for the Southeast Connector final design, $700,000 for the Coralville Intermodal Center), plus funds for Illinois for I-74.

Aviation Reauthorization

The multi-year aviation authorization bill, known as Vision 100 (PL 108 -176), expired on October 1, 2007, and programs have been continuing under a series of authorization extensions. Multi-year authorization bills have been passed by the Senate on March 22 and by the House on March 25 as separate amendments to HR 1586. A conference committee will resolve the differences between the two proposals. Final passage of the most recent extension, HR 5611, took place June 30. The current extension expires July 3, 2010.

Surface Transportation Reauthorization
The multi-year surface transportation authorization act, known as SAFETEA-LU, expired on October 1, 2009. The federal-aid programs, including highway, transit, highway safety, and motor carrier programs are continued through a series of extensions.

The current extension was included in HIRE, which was signed on March 18, 2010 (PL 111-147) and continues programs through December 31, 2010. In addition to program extensions, the act did away with the $8 billion contract authority rescission enacted in SAFETEA-LU, and also transferred $19.5 billion from the General Fund to the Highway Trust Fund to keep that fund solvent. While the formula programs have been extended, the earmarked projects in SAFETEA-LU have not been extended. The funding which would have been earmarked was redistributed among the core programs. Two of the SAFETEA-LU earmarked programs were controversial because 58 percent of the funding was provided to four states and 21 states received none of the funding. Language providing a "fix" for that situation was included in a recent tax extender bill, HR 4213. The bill was passed by the House, but defeated on a cloture vote in the Senate June 24.

In June 2009, Congressman Oberstar unveiled a draft reauthorization bill known as the Surface Transportation Authorization Act (STAA). The 5-year proposal would increase funding from the Highway Trust Fund by 57 percent over SAFETEA-LU levels, with most of the increase going to safety and transit. The proposal emphasizes intermodal projects, livability projects, and transit in large areas. Oberstar included performance targets and investment plans for nearly every program, along with stepped-up bridge inspection requirements. Due largely to the question of how to fund it, STAA has remained a discussion draft only.

However, several bills have been introduced as potential additions to reauthorization language. One example is S. 3485, introduced June 15,2010, which would provide surface transportation funds to rural states specifically, in order to provide balance to the large urban area focus of the discussion draft.

Climate Change Legislation

The Kerry-Lieberman bill, released as a discussion draft on May 12, is now seen as unlikely to pass in its current form and may be modified to apply cap and trade to electric utilities only. This would likely impact the revenue-raising/carbon fee aspect of the bill. As it currently stands, the Kerry-Lieberman proposal would gradually curtail greenhouse gas emissions by requiring polluters to obtain "allowances," with the number of allowances available decreasing over time. Proceeds from the sale of the allowances pays for a wide array of programs. As it relates to transportation funding specifically: a certain percentage (up to $2.5 billion) of the proceeds would go annually to the Highway Trust Fund; states and MPOs would be required to carry out additional planning activities; and the Department of Energy would develop a plan/goal for installing electric vehicle infrastructure along "all major national highways, roads and corridors" by 2020, including standardized public charge access ports. Road industries oppose the Kerry-Lieberman bill. EPA released its economic analysis of the Kerry-Lieberman American Power Act, finding that the average cost to households per year would be $79 - $146.

Many other energy/climate-related proposals are being discussed, although currently none of these alternative proposals include a carbon fee or funding for the Highway Trust Fund.

Tiger II

On May 28, Transportation Secretary Ray LaHood announced the availability of $600 million in TIGER II grants for capital investment in surface transportation projects. TIGER II grants will be awarded on a competitive basis to projects that have a significant impact on the nation, a region or metropolitan area and can create jobs. The TIGER II solicitation now available on the Federal Register Web site provides criteria for the department to make merit-based decisions on the new discretionary program. Primary selection criteria include contributing to the long-term economic competitiveness of the nation, improving the condition of existing transportation facilities and systems, improving energy efficiency and reducing greenhouse gas emissions, improving the safety of U.S. transportation facilities and improving the quality of living and working environments of communities through increased transportation choices and connections.

The USDOT will also give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity. Pre-applications from state and local governments are due by July 16. Final applications are due on August 23. Information regarding DOT application activity will be added as soon as it is available.

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